

THE FOLLOWING DOCUMENTS
ARE ATTACHED:
(Please do not remove)

SSCI 1528 88
Compt 534 88

SUBJECT:

~~SECRET~~

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Agency Use of Outside Contractors

FROM: Daniel A. Childs, Jr.
Comptroller
7C21 HQS

EXTENSION

NO.

COMPT 88-534

DATE

22 April 1988

25X1

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Executive Registry
7E12 HQS

25 APR 1988

25X1

2.

3. Deputy Director of
Central Intelligence

26 APR

4.

5. Director of
Central Intelligence

27 Apr.

25X1

6.

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DCI
EXEC
REG

B-405-IR

Central Intelligence Agency

Compt 534 88



Washington, D.C. 20505

22 April 1988

The Honorable Dennis DeConcini
Select Committee on Intelligence
United States Senate
Washington, DC 20510-6475

Dear Mr. DeConcini,

The Director of Central Intelligence has asked me to respond to your letter of 14 April 1988 expressing interest in our use of outside contractors to supplement staff analysis, and in our new initiative to develop a system to disseminate finished intelligence electronically. [redacted]

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External analysis plays an essential role in our research. It provides access to the best minds in the academic and industrial world who bring unique skills and fresh insights to our work. We cannot recruit and retain as staff analysts large numbers of highly specialized experts in today's rapidly changing world. Instead, we "rent" such expertise, in what we have found is a cost-effective way to maintain critical skills needed to meet policymaker demands for a growing diversity of finished intelligence. In 1987, we spent [redacted] on external analysis; roughly two-thirds of the contracts were directed toward scientific and technical topics--mainly Soviet weapons and military technology. The remainder was for such important topics as Soviet economic prospects, stability in the Middle East, and worldwide mineral resources. A detailed listing of contracts by subject, contractor, and amount is contained in our 1989 Congressional Budget submission; copies of the relevant pages (246-265) are enclosed. [redacted]

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The electronic dissemination project represents the first fundamental change in our methods of delivering finished intelligence to policymakers since our beginning over 40 years ago. The project will be expensive: as noted in our submission, the cost to full operational capability in 1993 will

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~~TOP SECRET~~

[redacted] We believe, however, that the results will
more than justify its cost. [redacted]

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The Electronic Dissemination System (EDS) will allow us to communicate directly with some 200-300 policymakers. The system will transmit finished intelligence to high-resolution, color terminals located in various agencies in the Washington area. The system will be used to transmit both immediate intelligence and finished analysis, often tailored to the interests or questions of a specific policymaker. A key feature of EDS will be its interactive nature; that is, each policymaker can quickly and easily select and review information tailored to personal needs and, just as important, receive rapid feedback to queries related to areas of particular interest. Unlike secure video teleconferencing, another area we are exploring actively, EDS will not tie the policymaker down to a particular time for communication. Moreover, EDS will enable the user to access previously produced analysis stored in the system--a capability that teleconferencing lacks. [redacted]

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The current system of delivering paper to policymakers is simply too slow and inflexible. Policymakers are demanding our analysis immediately after, or even concurrently with, events; they are no longer satisfied with receiving day-old (at best) analysis of information we are receiving in near-real time. We believe that the positive reception of the Midday Intelligence Report, which was initiated to satisfy consumer desires for an update of developments that have occurred after those described in the morning National Intelligence Daily, clearly demonstrates the benefits of providing a more timely product. In addition, our experience with policymakers and their staffers indicates the premium they place on personalized tailoring of intelligence support. Today, we can extend that treatment only to a small number of key consumers. EDS will allow us to extend that kind of service, electronically, to the broader Washington-area community of senior policymakers. [redacted]

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If you have further questions, or if I or my staff can be of further assistance in this matter, please let me know. [redacted]

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Sincerely,

[redacted]

25X1

Daniel A. Childs, Jr.
Comptroller

Attachment:
As stated

[redacted]

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United States Senate

SELECT COMMITTEE ON INTELLIGENCE

WASHINGTON, DC 20510-8475

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KATHLEEN P. MCGHEE, CHIEF CLERK

April 14, 1988

88-516

The Honorable William Webster
Director
Central Intelligence Agency
Washington, D. C. 20505

Dear Judge Webster:

Regrettably, I was unable to attend the April 12, 1988 hearing at which the budget for the Central Intelligence Agency for FY 89 was considered by the Senate Select Committee on Intelligence.

One the issues which I had planned to discuss with representatives of the Central Intelligence Agency is funding for the Intelligence Directorate. Specifically, I would like to know how much of the work of the permanent staff of the Intelligence Directorate is supplemented by outside contractors or consultants and would be most appreciative if the following information could be provided to me:

A list which identifies all outside contractors or consultants employed by the Intelligence Directorate in 1987 and includes the cost of each contract along with the product or service provided by each contractor or consultant.

Another issue of interest to me is a new initiative described in the budget justification to develop an electronic dissemination system at a cost of \$1 million. I would like to know what the projected total cost for this system is and what its capabilities will be.

It would be most helpful to me if answers to my questions could be provided in time for review before the committee's April 26 meeting.

Sincerely,



DENNIS DeCONCINI
United States Senator

cc: The Honorable David Boren

DDC/Y

SUBJECT: Agency Use of Outside Contractors

Distribution:

Copy 1 - Dennis DeConcini, SSCI w/att.

25X1

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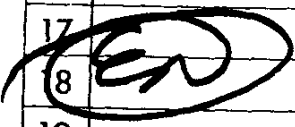
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(IG# 846)

(22 Apr 88) (COMPT 88-534)

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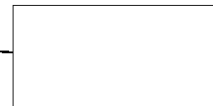
ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR				
4	D/ICS				
5	DDI		X		
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt		X		
13	D/OCA	X			
14	D/PAO				
15	D/PERS				
16	D/Ex Staff				
17					
18					
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20					
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22					
SUSPENSE		Date _____			

Remarks

D/OCA will prepare response for
Comptroller's signature.


Executive Secretary

20 Apr 88

Date

25X1

3637 (10-81)

To: The Director

26 APR 1978

From: John Helgerson

___ We plan to prepare an
answer for your signature.

✓
___ We plan to prepare an
answer for ~~my~~ signature.

Comptroller

___ No answer expected or required

___ John, I prefer to _____

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tate's Senate

To: The Director

20 APR 1980

From: John Helgerson

☐ We plan to prepare an
answer for your signature.

☒ We plan to prepare an
answer for my signature.

Comptroller

☐ No answer expected or required

☐ John, I prefer to _____

DCI
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